

Plaintiffs' Exhibit 125

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2019-02-04 10:17:00

Unified 1st Price Auction

Simplifying the auction on Ad Manager and Admob



February 2019

Last updated: 3/4

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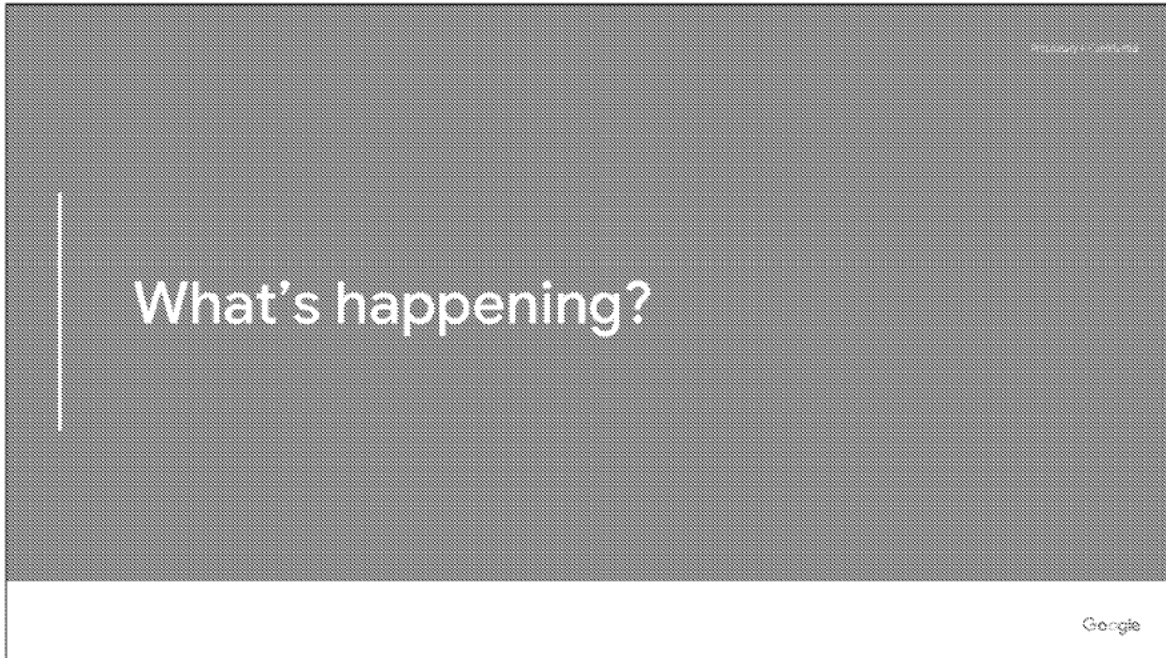
Full Screen

Agenda and objectives for today

- Understand what's changing in the AdManager / AdMob (later AdSense) auction
- Understand why this change is good for publishers and advertisers
- Awareness of the key milestones and activities leading up to roll-out of unified 1st price auction
- Know how to prepare and talk to customers post-announcement

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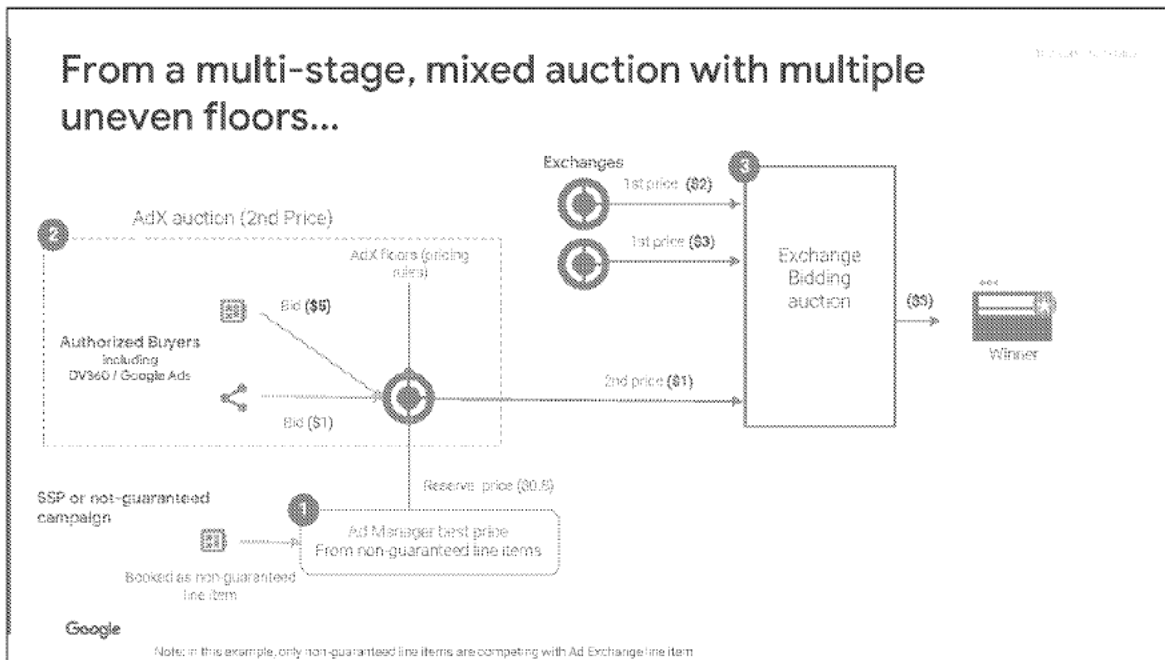
**Ad Manager and Admob will move to a unified 1st
price auction**

**Launch of simpler unified pricing rules, to manage
pricing across all indirect sources of demand in Ad
Manager**

Making inventory on AdX fully transparent

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NOTES



TALKING POINTS

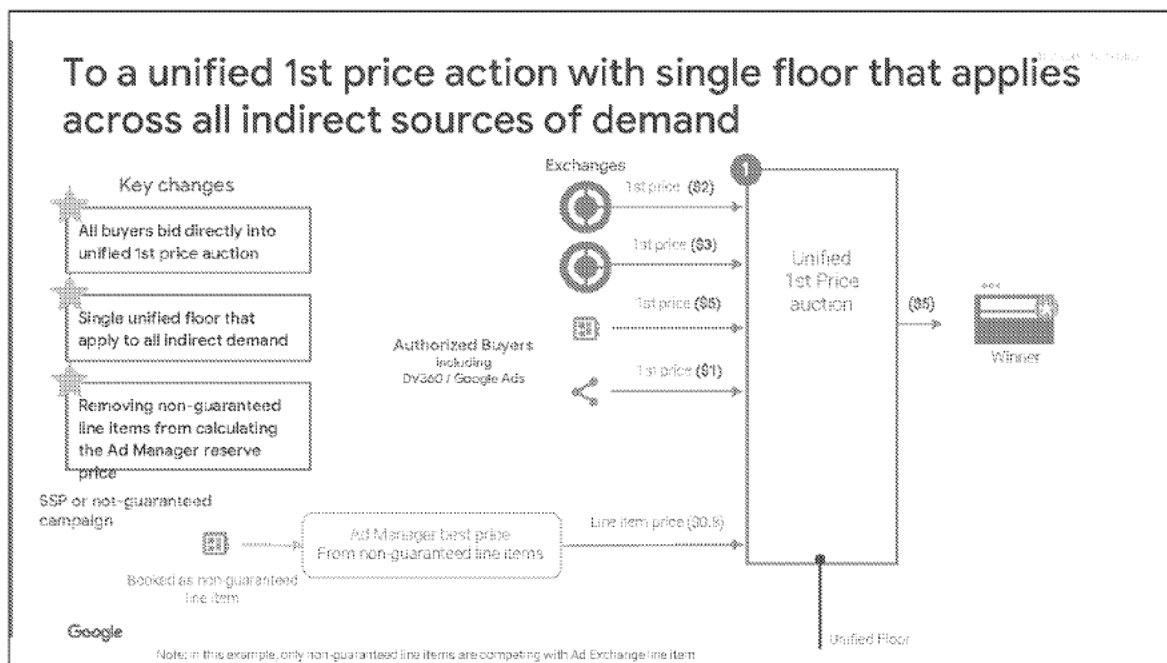
**** This is a simplified visualization to explain WHAT IS CHANGING. Temporary CPM from guaranteed line items and DFL floors have been omitted for simplicity (these do not change in the new unified 1P auction) ****

Currently, Ad Manager runs a multi-stage auction to decide the ad that will serve and the payment a publisher receives: The best Ad Manager non-guaranteed line item is selected based on price. The non-guaranteed price is passed as a floor to AdX buyers (together with AdX floors configured by the publisher). This is what the industry refers as 'last look', where AdX is called last to see if any bid can beat the remnant price (E.g If AdX exchange had two bids of \$1 and \$5, it would be able to beat a \$4 price from a remnant line item)

The closing price for the Ad Exchange auction is determined as the second-highest net bid

This closing price is then compared to Exchange Bidding net bids, the highest Ad Manager line item rate and expected mediation yields to determine the winner.

This two-stage auction does not guarantee the highest bid to win the auction, makes it hard to understand auction dynamics and complicates yield management across sources of indirect demand.



TALKING POINTS

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In the new auction, we are collecting the price each exchange would pay, including AdX and tag-based indirect demand (i.e. booked as non-guaranteed line item), then putting it in a unified auction where the highest price wins and is paid to the publisher. No competing offers will set the price paid by another buyer, and the highest offer will win the auction (This means that we are removing 'last look' for AdX)

NOTE: no changes with Dynamic Allocation with guaranteed line items. The algorithmically determined 'temporary CPM' - based exclusively on delivery pacing and priority of the campaign - is still sent as reserve price that indirect buyers need to beat to serve